

SENATE, No. 2158

STATE OF NEW JERSEY

INTRODUCED JUNE 5, 1997

By Senator DiFRANCESCO

1 AN ACT creating the Higher Education Technology Infrastructure
2 Fund and supplementing chapter 72A of Title 18A of the New
3 Jersey Statutes.

4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

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8 1. This act shall be known and may be cited as the "Higher
9 Education Technology Infrastructure Fund Act."

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11 2. The Legislature finds and declares that:

12 a. New Jersey's public and independent colleges and universities
13 contribute substantially to the local, State, and national economies by
14 developing the workforce, advancing knowledge through research and
15 scholarship, and serving as a repository for information.

16 b. An integrated technology infrastructure is increasingly critical
17 to teaching, research, workforce training, and the effectiveness and
18 efficiency of New Jersey's higher education system.

19 c. Up-to-date telecommunications and information technology,
20 including connectivity within and among institutions and with libraries
21 and elementary and secondary schools, will enable students and faculty
22 to access information and educational opportunities efficiently and
23 effectively and will increase opportunities for institutions to
24 collaborate and share resources.

25 d. Consortial arrangements and distance learning offer significant
26 potential to reduce costs and increase access, but these new modes of
27 delivery cannot succeed without a technology infrastructure which
28 insures compatibility and connectivity.

29 e. Colleges and universities must address substantial, yet varying,
30 technological needs in order to participate fully in a comprehensive,
31 current telecommunications network. To strengthen New Jersey's
32 competitiveness and enhance the State's higher education system in a
33 global and highly technological economy, it is essential to establish a
34 dedicated source of funding to support investment by New Jersey's
35 public and independent higher education institutions in technology
36 infrastructure.

1 3. There is created within the New Jersey Educational Facilities
2 Authority, established pursuant to N.J.S.18A:72A-1 et seq., the
3 "Higher Education Technology Infrastructure Fund," hereinafter
4 referred to as the "technology fund." The technology fund shall be
5 maintained as a separate account and administered by the authority to
6 carry out the provisions of this act. The technology fund shall consist
7 of:

8 a. moneys received from the issuance of bonds or notes pursuant
9 to section 7 of P.L. , c. (C.) (now pending before the Legislature
10 as this bill);

11 b. all moneys appropriated by the State for the purposes of the
12 fund; and

13 c. all interest and investment earnings received on moneys in the
14 technology fund.

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16 4. The technology fund shall be used to develop technology
17 infrastructure within and among New Jersey's institutions of higher
18 education in order to provide access effectively and efficiently to
19 information, educational opportunities, and workforce training. Funds
20 may also be used to enhance the connectivity of higher education
21 institutions to libraries and elementary and secondary schools.

22 As used in this act, "technology infrastructure" means video,
23 voice, and data telecommunications equipment and linkages, including
24 transport services and network interconnections.

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26 5. The use of a grant from the technology fund shall require a
27 matching amount from an institution equal to the amount of the grant
28 provided. The initial grants from the technology fund shall be allocated
29 as follows:

30 a. a minimum of \$12,600,000 for the acquisition of higher
31 education technology infrastructure at the State colleges;

32 b. a minimum of \$7,722,000 for the acquisition of higher education
33 technology infrastructure at Rutgers, The State University;

34 c. a minimum of \$4,306,500 for the acquisition of higher education
35 technology infrastructure at the University of Medicine and Dentistry
36 of New Jersey;

37 d. a minimum of \$2,821,500 for the acquisition of higher education
38 technology infrastructure at the New Jersey Institute of Technology;

39 e. a minimum of \$12,600,000 for the acquisition of higher
40 education technology infrastructure at the county colleges;

41 f. a minimum of \$4,950,000 for the acquisition of higher education
42 technology infrastructure at private institutions of higher education;
43 and

44 g. a maximum of \$5,000,000 for interconnectivity among the
45 higher education institutions. Expenditures shall be based on an inter-
46 institutional needs assessment. If, as a result of the needs assessment,

1 less than \$5,000,000 is expended from the funds allocated in this
2 subsection, the remaining funds shall be allocated among the
3 institutions designated in subsections a. through f. of this section based
4 on the percentage of the total funds allocated in each of the
5 subsections a. through f.

6 The Commission on Higher Education may reallocate any balance
7 in the amount authorized in subsections a. through g. of this section,
8 which has not been approved by the commission for a grant within 18
9 months of the effective date of P.L. , c. (C.) (now pending
10 before the Legislature as this bill).

11 The commission shall determine the allocation of moneys
12 deposited into the technology fund resulting from the issuance by the
13 authority of new bonds because of the retirement of bonds previously
14 issued by the authority.

15 Acquisition of technology infrastructure funded by grants from the
16 technology fund shall follow the principles of affirmative action and
17 equal opportunity employment. In furtherance of these principles, the
18 commission shall continue its policy of encouraging institutions to
19 solicit bids from, and award contracts to, minority and women-owned
20 businesses.

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22 6. a. The governing board of a public or private institution of
23 higher education may determine, by resolution, to apply for a grant
24 from the technology fund. Upon adoption of the resolution, the board
25 shall file an application with the Commission on Higher Education,
26 which application shall include a complete description of the
27 technology infrastructure to be acquired and an identification of the
28 sources of revenue to be used for the required institutional match.

29 b. The commission shall review the application and, by resolution,
30 approve or disapprove the grant. For each grant which is approved,
31 the commission shall establish the amount and shall forward a copy of
32 the resolution along with the amount of the grant to the authority.

33 c. Each grant awarded under this act shall be contingent upon the
34 recipient governing board entering into a contract or contracts for the
35 acquisition of technology infrastructure within one year of the date on
36 which the funds of the grant are made available to the institution.

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38 7. a. The authority shall from time to time issue bonds or notes in
39 an amount sufficient to finance the grants provided under this act and
40 to finance the administrative costs associated with the approval
41 process and the issuance of the bonds and notes for the purchase of
42 higher education technology infrastructure for public and private
43 institutions of higher education, provided that the total outstanding
44 principal amount of the bonds and notes shall not exceed \$50,000,000
45 and the term of any bond issued shall not exceed 15 years. In
46 computing the foregoing limitation as to amount, there shall be

1 excluded all bonds or notes which shall be issued for refunding
2 purposes, provided that the refunding shall be determined by the
3 authority to result in a debt service savings. The State Treasurer is
4 hereby authorized to enter into a contract with the authority pursuant
5 to which the State Treasurer, subject to available appropriation, shall
6 pay the amount necessary to pay the principal and interest on bonds
7 and notes of the authority issued pursuant to this section.

8 b. Bonds or notes issued pursuant to this act shall not be in any
9 way a debt or liability of the State or of any political subdivision
10 thereof other than the authority and shall not create or constitute any
11 indebtedness, liability or obligation of the State or of any political
12 subdivision thereof, or be or constitute a pledge of the faith and credit
13 of the State or of any political subdivision thereof, but all bonds or
14 notes, unless funded or refunded by the bonds or notes of the
15 authority, shall be payable solely from revenues of funds pledged or
16 available for their payment as authorized by this act. Each bond or
17 note shall contain on its face a statement to the effect that the
18 authority is obligated to pay the principal thereof, redemption
19 premium, if any, or the interest thereon only from revenue or funds of
20 the authority and that neither the State nor any political subdivision
21 thereof is obligated to pay the principal thereof, redemption premium,
22 if any, or interest thereon and that neither the faith and credit nor the
23 taxing power of the State or of any political subdivision thereof is
24 pledged to the payment of the principal of, redemption premium, if
25 any, or the interest on the bonds.

26 c. The State of New Jersey does hereby pledge to and covenant
27 and agree with the holders of any bonds or notes issued pursuant to
28 P.L. , c. (C.)(now pending before the Legislature as this bill)
29 that the State shall not limit or alter the rights or powers hereby vested
30 in the authority to perform and fulfill the terms of any agreement made
31 with the holders of the bonds or notes, or to fix, establish, charge and
32 collect such rents, fees, rates, payments, or other charges as may be
33 convenient or necessary to produce sufficient revenues to meet all
34 expenses of the authority and to fulfill the terms of any agreement
35 made with the holders of the bonds and notes, together with interest
36 thereon, with interest on any unpaid installments of interest, and all
37 costs and expenses in connection with any action or proceedings by or
38 on behalf of the holders, until the bonds and notes, together with
39 interest thereon, are fully met and discharged or provided for.

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41 8. The authority may enter into an agreement with a public or
42 private institution of higher education to finance the acquisition of
43 higher education technology infrastructure by the institution. In
44 entering into an agreement with a public or private institution of higher
45 education, the authority shall include in the agreement such provisions
46 as may be necessary to ensure that the institution shall provide a

1 matching amount at least equal to the amount of the grant provided.

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3 9. The authority shall not enter into an agreement with an
4 institution of higher education unless the Commission on Higher
5 Education has adopted a resolution which approves the acquisition of
6 the higher education technology infrastructure by the institution.

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8 10. a. To finance the matching amounts for institutions of higher
9 education which have received grants from the technology fund, the
10 authority may from time to time issue bonds or notes in an amount
11 sufficient to finance the purchase of higher education technology
12 infrastructure pursuant to agreements with public and private
13 institutions of higher education and to finance the administrative costs
14 associated with the issuance of bonds or notes. The authority shall
15 issue the bonds or notes in such manner as it shall determine in
16 accordance with the provisions of P.L. , c. (C.)(now pending
17 before the Legislature as this bill) and the "New Jersey educational
18 facilities authority law," N.J.S. 18A:72A-1 et seq. The bonds or notes
19 issued pursuant to this section shall be repaid by the institutions of
20 higher education from any available funds, except grant funds
21 provided to the institution of higher education pursuant to this act.

22 b. The authority shall require that if an institution of higher
23 education fails or is unable to pay to the authority in full, when due,
24 any obligation of the institution to the authority, an amount sufficient
25 to satisfy the deficiency shall be retained by the State Treasurer from
26 State aid or an appropriation payable to the institution and paid to the
27 authority. As used in this subsection, "obligation of the institution"
28 means any amount payable by the institution for technology
29 infrastructure pursuant to an agreement with the authority.

30 c. The amount retained by the State Treasurer shall be deducted
31 from the corresponding appropriation or apportionment of State aid
32 payable to the institution of higher education and shall not obligate the
33 State to make, nor entitle the institution to receive, any additional
34 appropriation or apportionment.

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36 11. In order to ensure the most effective utilization of the moneys
37 in the technology fund and to guide governing boards which elect to
38 apply for a grant, the Commission on Higher Education shall establish
39 criteria for approval and shall specify the information to be included
40 in a grant application.

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42 12. The Commission on Higher Education, in consultation with
43 the New Jersey Educational Facilities Authority, shall adopt, pursuant
44 to the "Administrative Procedure Act," P.L.1968, c. 410 (C. 52:14B-1
45 et seq.), the rules and regulations necessary to carry out the provisions
46 of this act.

1 higher education institutions.

2 In order to receive a grant, the governing body of a public or
3 private institution of higher education would determine, by resolution,
4 to apply for a grant. The application would be submitted to the
5 Commission on Higher Education along with a complete description
6 of the project, an identification of the sources of revenue to be used
7 for the institution's matching amount, and any other information
8 required by the regulations to be adopted by the commission. For each
9 grant approved, the commission would establish the amount and notify
10 the authority of the approval and the amount of the grant. A
11 governing board which receives a grant must enter into a contract for
12 the technology infrastructure within one year after the date the funds
13 are made available to the institution.

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18 Creates the Higher Education Technology Infrastructure Fund in the
19 New Jersey Educational Facilities Authority.